

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 052289

10

ORIGIN ARA-04

INFO OCT-01 ISO-00 /005 R

66650

DRAFTED BY ARA/ECP:GROlsen:LT

APPROVED BY ARA/ECP:GROlsen

----- 112269

R 151916Z MAR 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

XMT AMEMBASSY QUITO

AMEMBASSY CARACAS

LIMITED OFFICIAL USE STATE 052289

FOLLOWING REPEAT QUITO 1718 SENT ACTION SECSTATE INFO
CARACAS ON 15 MARCH 1974. QUOTE:

LIMITED OFFICIAL USE QUITO 1718

STATE PLEASE PASS ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: EGEN, EC, IA-ECOSOC, ENER

SUBJ: VENEZUELA BLASTS OAS SECRETARIAT PETROLEUM PAPER

1. AT THE OPENING OF THE IA-COSOC COORDINATING COMMITTEE
MEETING MARCH 13, VENEZUELA (BUSTILLOS) ATTACKED THE SECRETARIAT
STAFF PAPER ON REPERCUSSIONS OF THE PETROLEUM CRISIS ON LATIN
AMERICA. IN AN AGITATED PRESENTATION HE NOTED THAT OLADE EXISTS
AS A FORUM FOR THE ENERGY QUESTION. HE SAID THE DOCUMENT LOOKED
LIKE THE PRODUCT OF THE ONE DC BELONGING TO THE IA-ECOSOC AND
LIKE THE WORK OF A PETROLEUM COMPANY. HE PROTESTED THAT THE
SECRETARIAT PAPER WAS OUT OF STEP WITH TLA TELLOCO WHERE SECRETARY
KISSINGER HAD DISCUSSED TOPIC ON VERY HIGH PLANE AND VENEZUELA
AND ECUADOR HAD SUBMITTED THEIR VIEWS IN WRITING. HE WOUND UP
BY REQUESTING THE SECRETARIAT PAPER BE WITHDRAWN. LATER IN THE
SESSION THE SECRETARIAT (SEDWITZ) ANNOUNCED THAT DOCUMENT WOULD BE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 052289

WITHDRAWN AND DESTROYED.

2. PAPER IN QUESTION WAS DRAWN UP FOLLOWING OAS SEMINAR IN WASHINGTON ON PETROLEUM. IT IDENTIFIED AS THE TWO URGENT PROBLEMS:

- A). GETTING A REASONABLE ADJUSTMENT OF PRICES
- B) ACCOMMODATING THE EXTERNAL DEFICITS OF THE PETROLEUM IMPORTING COUNTRIES.

ON PRICES, THE PAPER FLATLY STATES THAT PETROLEUM PRICE INCREASES ARE WAY OUT OF PROPORTION WITH RESPECT TO WHAT THE WORLD COULD ACCEPT AND CONCLUDES THAT IT IS OF BASIC IMPORTANCE TO MAKE ALL POSSIBLE EFFORTS TO ACHIEVE A MORE REASONABLE LEVEL OF PRICES. THE PAPER CONCEDES THAT PRICES CANNOT RETURN TO OLD LEVELS, HOWEVER.

3. PAPER DISCUSSES NEED FOR FINANCIAL TRANSFER MECHANISMS, ESPECIALLY BETWEEN PETROLEUM EXPORTERS AND OTHER LDC'S. IT WARNS THAT RECESSION IN DC'S MAY ADVERSELY AFFECT DEMAND FOR PRIMARY PRODUCT EXPORTS OF LDC'S AND IT STRESSES NEED FOR ALL PETROLEUM-IMPORTING COUNTRIES TO EXPAND EXPORTS. PAPER CONCLUDES THAT INTERESTS OF DC'S AND PETROLEUM-IMPORTING LDC'S CLEARLY CONVERGE AND THAT IT IS ALSO IN THE INTEREST OF PETROLEUM-EXPORTING COUNTRIES TO INVEST THEIR FUNDS ABROAD AGAINST THE DAY WHEN THEIR PETROLEUM IS EXHAUSTED.

4. COMMENT: THE VENEZUELAN DELEGATE'S REACTION SHOWS AGAIN AN EXTREME SENSITIVITY TO LETTING THE ENERGY CRISIS BE ANALYZED CLOSELY IN HEMISPHERE ORGANIZATIONS IN WHICH U.S. IS PRESENT. ECUADOR ALSO FEARS THAT U.S. COULD DIVIDE THE LA'S ON PETROLEUM QUESTION, BUT IT DID NOT SPEAK UP AT THE MEETING. ONE EFFECT OF RESERVATION OF THE ENERGY ISSUE TO OLADE WOULD BE TO DELAY A STAFF ANALYSIS. THE LIMA AGREEMENT TO BRING OLADE INTO OPERATION HAS ONLY BEEN RATIFIED BY FIVE COUNTRIES AND AT LEAST ONE MORE SESSION ON OLADE ORGANIZATION IS NEEDED BEFORE ITS SECRETARIAT WILL BEGIN TO FUNCTION IN QUITO.

BREWSTER

UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, PETROLEUM, ECONOMIC COOPERATION, LESS DEVELOPED COUNTRIES, COMMITTEE MEETINGS, MEETING DELEGATIONS, FOREIGN POLICY POSITION, PRICE S, EXPORTERS, IMPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE052289
Document Source: CORE
Document Unique ID: 00
Drafter: GROlsen:LT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740339/aaaabknz.tel
Line Count: 98
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2002 by cunninfx>; APPROVED <18-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VENEZUELA BLASTS OAS SECRETARIAT PETROLEUM PAPER
TAGS: EGEN, ENRG, EC, VE, ECOSOC
To: ALL POSTS CARACAS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005